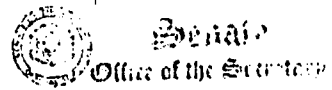


**EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES**
Second Regular Session

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SENATE

21 JAN 21 P3:54

S. B. NO. 2009

REGISTERED

Introduced by **SENATOR JOEL VILLANUEVA**

**AN ACT PRESCRIBING THE MANDATORY GUIDELINES ON THE
ESTABLISHMENT AND OPERATION OF LOCAL UNIVERSITIES
AND COLLEGES AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The Local Government Code empowered local government units (LGUs) to establish and operate specific education institutions. Specifically, Sections 447, 458 and 468 of the Local Government Code enable municipalities, cities, and provinces, respectively, to “establish and provide for the operation of vocational and technical schools and similar post-secondary institutions.”

Pursuant to these provisions, various LGUs have established local universities and colleges (LUCs) within their respective territorial jurisdictions to provide greater access to education to their constituents. Currently, there are 121 LUCs¹ nationwide that caters to more than 200,000 higher education students.


While this initiative of LGUs is laudable, the lack of institutionalized guidelines on the establishment of these LUCs has taken a toll on the delivery of quality education. As of 2017, only 18 out of 107 (or 16.8%) LUCs are recognized by the Commission on Higher Education (CHED). The passage of Republic Act No. 10931 or the Universal Access to Quality Tertiary Education Act (UAQTEA), only students in CHED-accredited LUCs are exempt from paying tuition and other school fees. As of October 2020, the number of CHED-recognized LUCs increased from 18 (out of 107) in 2017 to 101 (out of 121) (or 83.5%).

¹ <https://ched.gov.ph/wp-content/uploads/A1.1-Distribution-of-Higher-Education-Institutions-by-Institution-Type-AY-2019-2020.pdf>

This bill seeks to provide a uniform guideline on the creation of LUCs. It also clarifies that LUCs are subject to the supervision and inspection of CHED. It also provides for the composition of the governing board of LUCs, to be composed of the local chief executive as chairman of the Board, and a representative from the CHED, among others, to ensure that appropriate policies of CHED are communicated and properly represented to the Board.

In sum, this measure seeks to rationalize the establishment and operation of LUCS to address quality and excellence in the areas of school administration, facilities, and research and community service, among others.

Thus, the passage of this bill is earnestly sought.

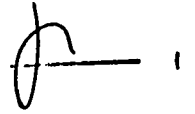

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**AN ACT PRESCRIBING THE MANDATORY GUIDELINES ON
THE ESTABLISHMENT AND OPERATION OF LOCAL
UNIVERSITIES AND COLLEGES AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

1 **SECTION 1. Short Title.** – This Act shall be known as the "*Local Universities*
2 *and Colleges (LUCs) Governance Act.*"

3

4 **SEC. 2. Declaration of Policy.** – It is the policy of the State to establish,
5 maintain and support a complete, adequate and integrated system of education
6 relevant to the needs of the people and society. Towards this end, a mandatory
7 guideline on the establishment of Local Universities and Colleges (LUCs) shall
8 be prescribed to achieve a standard and integrated system of higher education
9 and provide a relevant direction in their governance.

10

11 **SEC. 3. Definition of Terms.** – As used in this Act, these terms shall mean:

12 a) "*Commission on Higher Education (CHED)*" refers to the government
13 agency created by Republic Act No. 7722, otherwise known as the
14 "*Higher Education Act of 1994*", which has jurisdiction over all public and
15 private higher education institutions (HEIs) in the Philippines;

- 1 b) "*Civil Service Commission (CSC)*" refers to the Constitutional
2 Commission of the Philippines with responsibility over the civil service. It
3 is tasked with overseeing the integrity of government actions and
4 processes involving human resource actions;
- 5 c) "*Governing Board*" refers to the highest policy-making body of a local
6 university or college;
- 7 d) "*Local University or College (LUC)*" refers to the public higher education
8 institution established by a local government unit through an enabling
9 ordinance;
- 10 e) "*Local Government Unit (LGU)*" refers to any municipality, city or
11 provincial government that created or established the LUC;
- 12 f) "*Ordinance*" refers to the enabling act of the Sangguniang Bayan,
13 Panglunsod or Panlalawigan that creates a particular LUC; and
- 14 g) "*Sanggunian*" refers to the local legislative body which includes
15 Sangguniang Bayan for Municipality, and Sangguniang Panlalawigan for
16 Province.

17

18 **SEC. 4. Coverage.** – This Act shall apply to the following:

- 19 a) Educational institutions to be established and operated by LGUs for the
20 purpose of offering higher degree programs;
- 21 b) Educational institutions established and operated by LGUs offering non-
22 degree programs; and
- 23 c) Existing Local Universities and Colleges.

24

25 **SEC. 5. Establishment of LUCs.** – All LUCs shall be established through an
26 ordinance duly enacted for that purpose by the *Sanggunian* concerned:
27 *Provided, That* prior to the enactment of the same, the LGU establishing a
28 higher education institution shall consult and coordinate with CHED, through
29 the Regional Office having jurisdiction of the place where the institution is
30 intended to be established, to ensure full compliance with the mandatory
31 requirements as set forth in this Act.

32

1 **SEC. 6. Mandatory Requirements for the Establishment of LUC.** – The
2 CHED shall require all LUCs to submit the following requirements for review
3 and approval:

4 a) Feasibility study that shall include, but not be limited to, the following
5 discussions: 1) the necessity for a local higher education institution in
6 the area; 2) human resource requirements of the industry to determine
7 proposed program offerings; 3) target offerings; 4) financial capacity of
8 the LGU to establish and sustain the operation of the LUC;

9 b) Certification of availability of funds by the treasurer of the LGU
10 concerned, as provided under the pertinent provisions of the Local
11 Government Code of 1991;

12 c) A Project Development Plan with program of work, showing that the LGU
13 allocated a school site with appropriate size and location pursuant to the
14 applicable provisions of the Building Code of the Philippines, blueprint of
15 architectural design for its buildings and other physical facilities and
16 provisions for acquisition of instructional materials and equipment that
17 comply with CHED Memorandum Orders (CMOs) pertinent to the
18 program offered;

19 d) A five-year institutional development plan duly approved by the
20 *Sanggunian* which shall include, but not be limited to, the following: a)
21 annual budgetary allocation; b) organizational structure and composition
22 of the Governing Board; and c) personnel complement indicating the
23 plantilla of positions to be hired on a merit system and the procedure for
24 hiring non-plantilla items duly approved by the Civil Service Commission;

25
26 In all cases, a duly established educational institution by the LGU shall
27 require the imprimatur of the CHED prior to the offering of higher education
28 programs. The Chairman of the Governing Board, or its President when so
29 authorized by the Governing Board, shall file with the CHED an application
30 to offer a higher education program. The application shall be supported with
31 documents indicating compliance with the policies and standards relative to
32 such degree program.

33

1 **SEC. 7. Supervisory and Visitorial Powers of CHED.** – All LUCs shall be
2 subject to the inspection and evaluation of CHED.

3
4 **SEC. 8. The Governing Board of LUCs.** –

5 a) Composition – The governing body of local universities and colleges
6 shall be composed of the following:

- 7 1. Local Chief Executive as Chairperson;
- 8 2. President of the LUC as Vice-Chairperson;
- 9 3. President of the duly recognized faculty association of the LUC as
10 member;
- 11 4. President of the duly recognized student council of the LUC as
12 member;
- 13 5. President of the alumni association as member;
- 14 6. Chairman of the Sangguniang Committee on Education as member;
- 15 7. A representative from CHED with rank not lower than Director as
16 member;
- 17 8. Treasurer of the LGU establishing the LUC;
- 18 9. Budget Officer of the LGU establishing the LUC; and
- 19 10. Two (2) representatives from the private sector, who are of known
20 probity and should have distinguished themselves in their respective
21 professions or fields of specialization in the municipality, city, or
22 province where the local university or college is located. They shall
23 be appointed by the Local Chief Executive and shall each serve for
24 a term of two (2) years from the date of their respective appointments.

25 b) Term of Office – i) The LUC President and the presidents of the faculty
26 association, the student council, and the alumni association shall sit in
27 the Board until the expiration of their term of office in such capacities; ii)
28 the two (2) representatives from the private sector shall serve for a term
29 of two (2) years.

30 c) Meetings – The Governing Board shall regularly convene every month.
31 The Chairman of the Board may call for a special meeting whenever
32 necessary, provided that members are notified in writing at least three
33 (3) days prior to the said meeting.

- 1 d) Quorum – A majority of all the members of the Gcverning Board holding
2 office at the time of its regular or special meeting shall constitute a
3 quorum.
4

5 **SEC. 9. Powers of the Governing Board.** – The Governing Board of the LUCs
6 shall have the following powers and duties:

- 7 a) To promulgate policies in accordance with the declared state policies on
8 higher education as well as the policies, standards and thrusts of the
9 CHED under Republic Act No. 7722, otherwise known as the “Higher
10 Education Act of 1994” and other pertinent laws;
- 11 b) To promulgate rules and regulations consistent with existing laws, rules
12 and regulations as may be necessary to carry out the purposes and
13 functions of the LUC;
- 14 c) To develop academic arrangements and linkages for institutional
15 capability building with appropriate institutions and agencies, both public
16 and private, local and foreign;
- 17 d) To determine and approve curricular programs and course offerings in
18 response to the needs and demands of the community and based on
19 local and regional development initiatives: *Provided*, That these should
20 comply with policies and guidelines set by CHED;
- 21 e) To promulgate policies on admission, retention and graduation of
22 students and to award degrees, titles, diplomas and certificates;
- 23 f) To ensure the efficient management of non-academic services such as
24 medical and dental, guidance and counseling, property maintenance
25 and similar services;
- 26 g) To institutionalize research and extension programs;
- 27 h) To appoint the President of the local university or college upon the
28 recommendation of the search committee;
- 29 i) To confirm appointments of other school officia’s, teaching and non-
30 teaching personnel appointed by the President;
- 31 j) To delegate any of its powers and duties provided for herein to the
32 President and/or other officials of the university or college as it may
33 deem appropriate in order to expedite the administration of the affairs of
34 the LUC; and

1 k) To fix the tuition fees, miscellaneous fees and other school charges as
2 the board may deem proper to impose after proper consultation with the
3 relevant stakeholders.

4

5 **SEC. 10. Administration of the LUC.** – The administration of the local
6 university or college shall be vested in the President who shall render full-time
7 service. The Governing Board upon the recommendation of a duly constituted
8 search committee shall appoint him.

9

10 The President of the local college or local university shall hold a masters
11 or doctoral degree in education, administration or other related fields, and
12 should have at least three (3) years of relevant administrative experience,
13 without prejudice to the provision of additional qualifications to be set by the
14 Governing Board of the LUC. The term of office of the President shall be four
15 (4) years, subject to reappointment for another term only.

16

17 In case of vacancy in the Office of the President by reason of death,
18 compulsory retirement, expiration of term, resignation, removal for cause or
19 incapacity of the President to perform the functions of his office, the Board shall
20 have the authority to designate an Officer-in-Charge of the LUC pending the
21 appointment of a new president.

22

23 The powers and duties of the President of the LUC, in addition to those
24 specifically provided in this Act, shall be those usually pertaining to the Office
25 of the President of other colleges, and those delegated by the Board.

26

27 The salary of the President of the LUC shall be set by the Board, taking
28 into consideration the applicable rules and regulations of the Civil Service
29 Commission (CSC) and the Department of Budget and Management (DBM)
30 and ensuring that the same shall be comparable to that being received by the
31 presidents of similar educational institutions.

32

33 The vice-presidents, deans, directors, heads of departments, faculty,
34 non-teaching personnel and such other officials and employees of the LUC

1 shall be appointed by the president, subject to confirmation of the Board. The
2 appointments of these LUC officials and employees shall conform to existing
3 civil service laws, rules and regulations.

4
5 The aforementioned officers and employees may be removed from office
6 for causes established under the rules of the CSC.

7
8 **SEC. 11. Search Committee.** – In case of vacancy in the Office of the
9 President brought about by any of the causes mentioned in the preceding
10 section, the Governing Board shall organize and convene a Search Committee
11 for the selection of a President.

12
13 The Search Committee shall have five (5) members to be appointed by
14 the Governing Board with a member each representing the CHED, the LGU
15 concerned, the academe, the business or industry sector, and the Association
16 of Local Colleges and Universities (ALCU). It shall elect a Chairperson and
17 Vice-Chairperson and shall ensure that the new LUC President is selected not
18 later than three (3) months from the time the position is vacated.

19
20 **SEC. 12. Elevation to University Status.** – A new local higher education
21 institution shall start as a local college. In all cases, the grant of a university
22 status shall be contingent upon the satisfaction of all requirements under
23 applicable rules and regulations of the CHED.

24
25 **SEC. 13. Licensure, Civil Service Examination, and Other Benefits of**
26 **Compliance.** – LUCs that have complied with the requirements set forth under
27 this Act shall be accorded the following benefits:

- 28 1. Issuance of a Special Order for Graduation from CHED to enable its
29 graduates to take licensure examinations administered by the
30 Professional Regulation Commission;
- 31 2. Inclusion in the Directory of CHED-recognized Philippine Universities
32 and Colleges;
- 33 3. Quality assurance support from CHED; and

1 4. Acceptance of foreign students, subject to compliance with the
2 requirements of appropriate regulatory agencies.

3

4 **SEC. 14. Penalties for Non-Compliance.** – Any person who acts in violation
5 of any provision of this Act shall be subject to an administrative fine of up to
6 Five Hundred Thousand Pesos (P500,000.00) depending on the severity of the
7 violation, as may be determined in the implementing rules and regulations of
8 this Act.

9

10 **SEC. 15. Existing LUCs.** – In the interest of efficient control and regulations by
11 the CHED, LUCs which are already existing at the time of the effectivity of this
12 Act shall be allowed to continue their operation, subject to compliance with the
13 requirements under this Act within a non-extendible period of three (3) years.
14 Non-compliance with the requirements under this Act within this period shall
15 result in the phase-out or closure of the programs being offered by the LUC
16 concerned.

17

18 **SEC. 16. Implementing Rules and Regulations.** – Within ninety (90) days
19 from the effectivity of this Act, the CHED, in coordination with relevant agencies,
20 the Association of Local Colleges and Universities (ALCU), and other
21 stakeholders, shall promulgate the implementing rules and regulations
22 necessary to carry out the provisions of this Act.

23

24 **SEC. 17. Separability Clause.** – If any portion or provision of this Act is
25 subsequently declared invalid or unconstitutional, other provisions hereof which
26 are not affected thereby shall remain in full force and effect.

27

28 **SEC. 18. Repealing Clause.** – All other laws, acts, presidential decrees,
29 executive orders, presidential proclamations, issuances, rules and regulations,
30 or parts thereof which are contrary to or inconsistent with any of the provisions
31 of this Act are hereby repealed, amended, or modified accordingly.

32

33

34

1 **SEC. 19. Effectivity.** – This Act shall take effect fifteen (15) days after its
2 publication in the Official Gazette or in a newspaper of general circulation.

3

4 **Approved,**